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To be read at a Meeting of the Royal Colonial Institute, to be held at the Whitehall Rooms, Hôtel Métropole, Whitehall Place, on Tuesday, May 8, at 8 P.M., the Right Hon. the MARQUIS OF LORNE, K.T., G.C.M.G., in the Chair.

CANADA IN RELATION TO THE UNITY OF THE EMPIRE.

By the Hon. Sir CHARLES TUPPER, Bart., G.C.M.G., C.B.

THE most important event of recent years conducive to the unity of the British Empire was, in my opinion, the Confederation of Canada. Down to that period British North America was composed of five isolated provinces, and the great Rupert's Land was a howling wilderness, occupied by 25,000 savages, and the home of the buffalo. The provinces were separated by hostile tariffs, with no common interests and no means of inter-communication by railway. The Great North-West, declared by Lord Dufferin to be capable of providing happy homes for 40 millions of people, was separated from the older provinces by a thousand miles of wilderness and by the Rocky Mountains from the Province of British Columbia. All this has been changed. These isolated provinces, separated from the Republic to the south by an invisible line of from 3,000 to 4,000 miles in extent, have been united under one strong Federal Government, and bound together by a great trans-continental railway from Halifax on the Atlantic Ocean to Vancouver on the Pacific.

Another important event conducing to the unity of the Empire

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is about to take place. A Conference is to be held at Ottawa, on June 21 next, which will be attended by representatives of the Governments of Australia and New Zealand, and of the Imperial Government, and possibly of the South African Governments, for the purpose of considering the best means of drawing these great outlying possessions of the Crown into closer trade relations with each other and with Great Britain. A deputation of the representatives of Australasia, South Africa, and Canada recently had the honour of an interview with the Earl of Rosebery and the Marquis of Ripon on this subject. They stated that Canada had agreed to give a subsidy of £175,000 a year to a fast steamship service between England and Australasia *via* Canada, and would give substantial support to a cable from Vancouver to Australia, and that these subsidies would be largely supplemented by the Governments of Australasia; and they asked for the co-operation and aid of her Majesty's Government to these services, on the ground of their great political, strategic, commercial, and defensive value.

The deputation was assured that their representations would receive the most careful consideration of the Government, and that a representative would be sent to attend the Conference at Ottawa. This movement has received, as might naturally be expected, the hearty support of a large portion of the Press of this country.

Many persons have been surprised to find that Sir John Colomb, who has professed to be a friend of the unity of the Empire, has assumed a position of hostility to these proposals. I confess that I did not share that surprise, as I had long since learned that that gentleman was apparently not well-informed of the extent to which the great Colonies have rendered yeoman service to the defence of the Empire—unless, as Sir John Colomb seems to think, the term Empire applies only to Great Britain. As this is a question of much moment, permit me to draw attention briefly to some of these services.

A few years ago every important town in British North America was garrisoned by British troops. To-day not one of them is to be found in that country, except at Halifax, where a small force is kept for strategic purposes.

When Canada purchased the North-West Territory from the Hudson Bay Company, Lord Wolseley was sent with Imperial troops to put down a rebellion. When a subsequent rising, under the same half-breed leader, Riel, took place, it was suppressed by Canada without the cost of a shilling to Great Britain.

The Government of Canada has expended on—

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An Inter-Oceanic Railway	120,000,000
Canals	60,000,000
Deepening the St. Lawrence	3,384,000
Graving Docks	2,700,000
North-West and Lands	7,000,000
Indians (20 years)	13,500,000
North-West Rebellion	7,000,000
British Columbia Fortifications	256,000
	<u>213,840,000</u>

And expends annually on—

Militia	1,340,000	
Mounted Police	625,000	
British Columbia Garrison	47,500	
Eight steamers coast service	172,000	
Subsidy China and Austral. steam service	200,000	
Subsidy pledged to Atlantic steam service	750,000	
Interest at 4 per cent. on \$213,840,000	8,536,000	53,6
	<u>11,670,500</u>	88,1

Or about £2,334,100 per annum.

This is irrespective of the annual cost of maintenance of 741 light-houses, \$450,000; immigration expenses, \$200,000; and expenditure connected with Indians, \$959,864.

This expenditure secured the construction of a great trans-continental line of railway, bringing England twenty days nearer to Japan than by the Suez Canal. It has provided an alternative line to India, upon which Great Britain may have to depend for the security of her possessions in the East. It enables her ships of war to reach Montreal, and her gun-boats to go to the heart of the continent at the head waters of Lake Superior. It provides graving docks at Halifax, Quebec, and Victoria; extinguishes the title of the Indians, and provides for their civilisation at a cost of nearly a million dollars a year; opens to British settlement the great North-West, where every eligible immigrant is entitled to a free grant of 160 acres of land; maintains a permanent defensive force, and trains 38,000 volunteers, and provides a garrison for the fortifications of British Columbia. Included in this are the subsidies for the Atlantic and Pacific steamers, available for the use anywhere of her Majesty's Government as war cruisers and transports at a moment's notice. Canada also supports a Royal Military College at Kingston, seventy or eighty of whose cadets are now officers in the British Army.

Before confederation the fisheries of the British Provinces were protected by her Majesty's navy. Now that service is performed

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by eight armed steamers owned and maintained by Canada. This expenditure of £2,331,100 per annum is cheerfully borne by the people of Canada for services vital to the strength, defence, and unity of the Empire. Yet, at a meeting at the London Working Men's College, on March 11, 1893, Sir John Colomb said, "England paid 19s. 6d. out of every pound of the cost of defending the Empire, Australia ½d., and Canada not a brass farthing!" I may say that in addition to the large capital expenditure made by Australasia and South Africa for naval and harbour defensive purposes, I find the annual expenditure for naval and military defence in those Colonies at the last dates available to be as follows:—

Colony	Year	Amount £
New South Wales	1892	368,227
Victoria	1892-3	193,651 ¹
Queensland	1893-4	56,499 ¹
South Australia	1893-4	40,068 ¹
Tasmania	1892	19,282
Western Australia	1893	12,699
New Zealand	1892-3	87,865
Cape of Good Hope	1891-2	275,096 ²
Natal	1893-4	60,384 ³
	Total	<u>1,413,771</u>

¹ Estimated Expenditure.

² Including £124,415 expended on Cape Police available for defence.

³ Including £34,366 expended on Natal Mounted Police.

Then again, Sir John Colomb in his address to Mr. Gladstone on April 13, 1893, said, "The United Kingdom bears the whole burthen of the Diplomatic and Consular Services." He ought to have known that, independent of the Governors, whose salaries are paid by the autonomous Colonies, Canada paid one-half the cost of the survey of the international boundary between the United States and Canada from the Lake of the Woods to the foot of the Rocky Mountains, over £68,000; the whole of the cost of the Halifax Arbitration between Great Britain and the United States, arising out of the Washington Treaty of 1871; half the expenditure connected with the Treaty of Washington of 1888, to determine the construction of the Treaty of 1818 between Great Britain and the United States; and that Canada is now engaged in settling the Alaskan boundary at her own expense, and pays one half of the expenses, some £20,000, of the Arbitration at Paris of 1893, when the question at issue between Great Britain and the United States was described by Sir Charles Russell to be:

The principle of freedom of the seas; the principle that upon the sea

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ships of all nations are equal, whether it is a ship of a great or insignificant Power; the principle that upon the high seas ships are part of the territory of the nation; the principle that upon the high seas subjects of every nation can take at their will, according to their ability, of the products of the sea.

It is interesting to turn from views of this kind to those held by the statesmen of both the great parties in this country. About two years ago Lord Salisbury thus expressed his opinion of the importance of the outlying portions of the Empire:—

What is it that gives to this little island its commanding position? It is the fact that every nation from every quarter of the globe can enter your ports with the products of countless regions, and supply your industries and manufactures, so that those industries and manufactures may compete with every corner of the globe. And why should you occupy this privileged position? Because your flag floats over regions far wider than any other, and because upon the dominion of your Sovereign the sun never sets.

Mr. Gladstone, in terms equally emphatic, in the House of Commons last year paid the following tribute to the Colonies:—

An absolute revolution has taken place in the entire system of governing the vast dependencies of this Empire, and the consequence is that, instead of being as before a source of grievance and discredit, they had become one of the chief glories of Great Britain and one of the main sources of our moral strength.

The vital importance to England of her Colonial trade was forcibly illustrated in a speech at Leeds a few years ago by the Earl of Rosebery, whose views upon the subject of the unity of the Empire are too well-known to need repetition. Who that is interested in this great question can doubt the wisdom of the following utterance of the Marquis of Salisbury in 1892?—

We know that every bit of the world's surface which is not under the British flag is a country which may be, and probably will be, closed to us by a hostile tariff, and therefore it is that we are anxious above all things to conserve, to unify, to strengthen the Empire of the Queen, because it is to the trade that is carried on within the Empire of the Queen that we look for the vital force of the commerce of this country.

The maxim "that trade follows the flag" is proved beyond question by the Trade Returns, which show that the self-governing Colonies and West Indies take of British exports £2 18s. 9d. per head, as against 8s. 5d. per head of the population of the United States, or seven times as much.

Six of the Colonies importing the largest quantity of British

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produce—the Cape, Canada, New South Wales, Victoria, New Zealand, and Queensland—took in 1891 £3 11s. 10d. per head, as against 5s. 9d. per head of the populations of the United States, Germany, France, Spain, Brazil, and Russia together, or a little over twelve times as much.

In 1892 the same Colonies took British goods to the extent of £3 1s. 5d. per capita, as against 5s. 5d. in the foreign countries already mentioned, or a little over eleven times as much.

Exports to Self-governing Colonies and to the West Indies, 1892.

Colony	£	Population
Canada	6,869,808	4,833,000
Newfoundland	558,674	197,000
West Australia	524,249	50,000
South Australia	1,717,492	315,000
Victoria	4,726,361	1,140,000
New South Wales	6,566,352	1,134,000
Queensland	1,793,391	394,000
Tasmania	477,790	147,000
New Zealand	3,450,537	627,000
Cape and Natal	7,929,484	1,527,000
West Indies and British Guiana	2,936,624	544,000
Totals	37,550,762 ¹	12,768,000

¹ Or £2 18s. 9d. per head.

Exports to United States, £26,547,234; population, 62,622,000; or 8s. 5d. per head.

Exports to certain Colonies, 1891 and 1892.

Colony	1892 £	1891 £	Population
Cape	7,929,484	7,957,878	2,071,000
Canada	6,869,808	6,820,990	4,833,000
New South Wales	6,566,352	8,999,969	1,134,000
Victoria	4,726,361	7,249,224	1,140,000
New Zealand	3,450,537	3,369,177	627,000
Queensland	1,793,391	2,224,316	394,000
Totals	31,335,933 ¹	36,621,554 ²	10,199,000

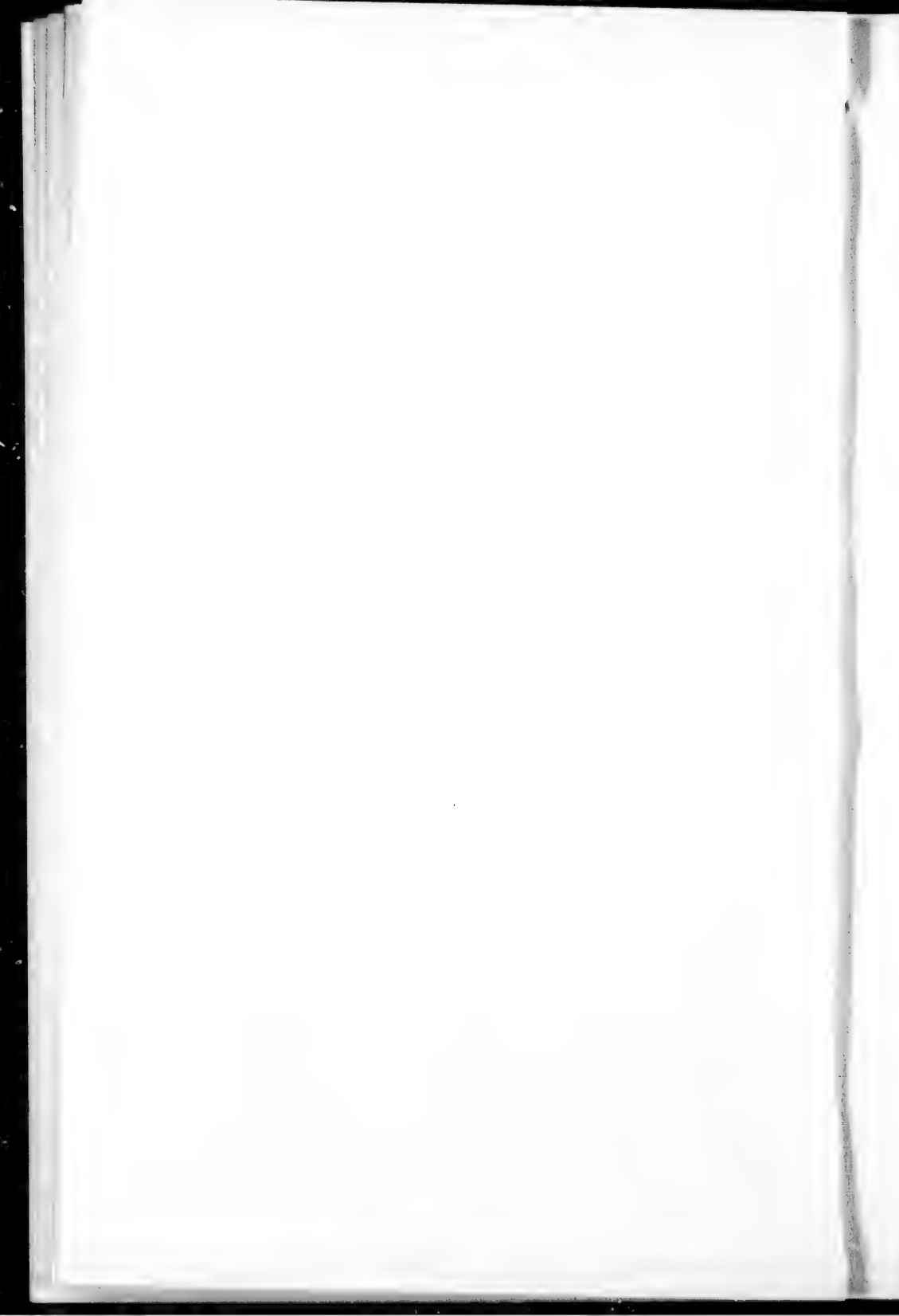
¹ Equal to £3 1s. 5d. per head.

² Equal to £3 11s. 10d. per head.

Exports to certain Foreign Countries.

	1891 £	Population
United States	27,544,553	62,622,000
Germany	18,804,329	49,428,000
France	16,429,665	38,343,000
Spain	4,977,473	17,550,000
Brazil	8,290,089	14,002,000
Russia	5,407,402	97,506,000
Totals	81,453,461 ¹	279,451,000

¹ Equal to 5s. 9d. per head.



	1892 £	Population
United States	26,547,231	62,622,000
Germany	17,583,412	49,428,000
France	14,686,894	38,343,000
Spain	4,672,938	17,550,000
Brazil	7,910,326	14,002,000
Russia	5,357,081	97,506,900
Totals	<u>76,757,885</u> ¹	<u>279,451,000</u>

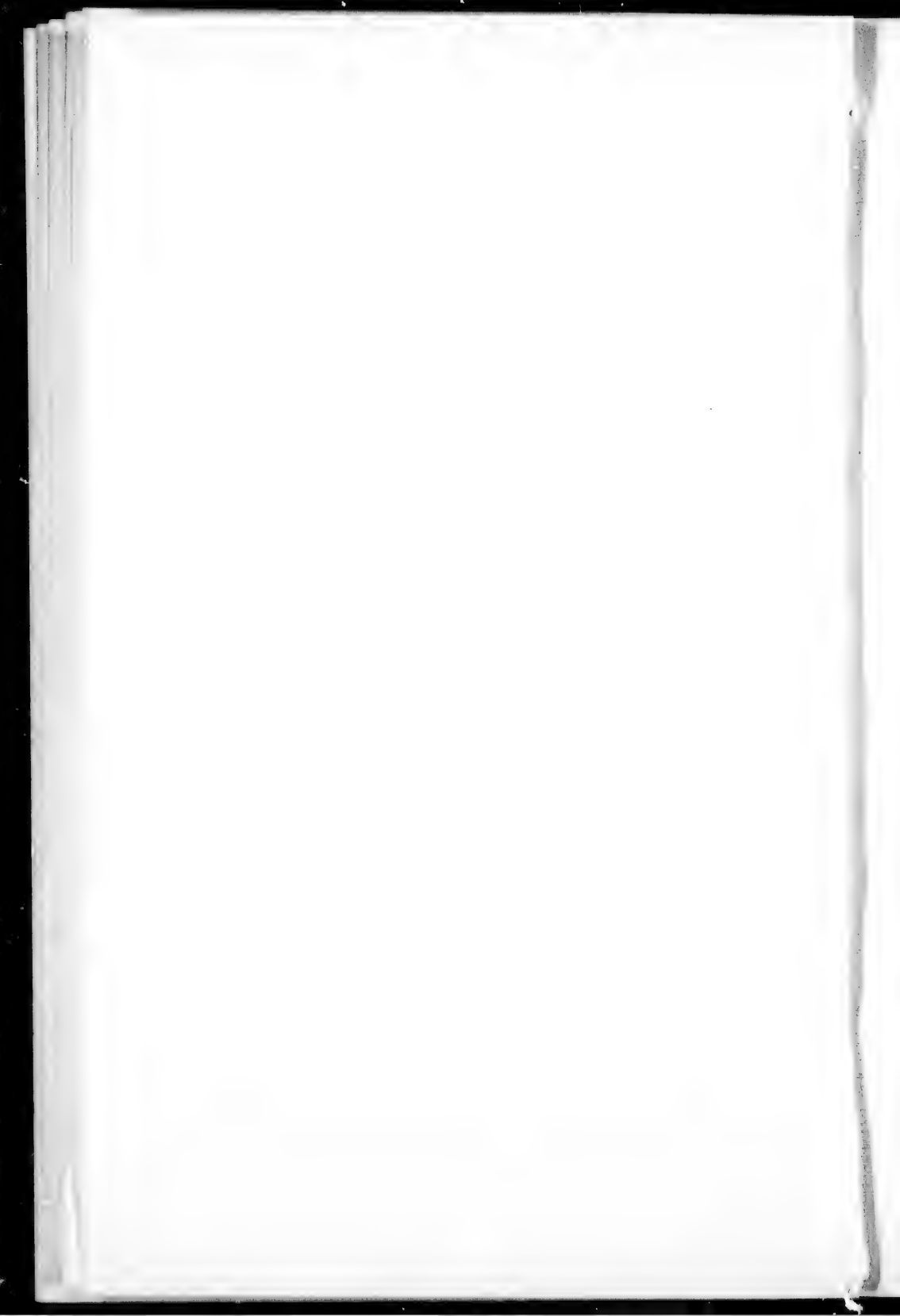
¹ Equal to 5s. 5d. per head.

Who, with such evidence before them, can question from an Imperial standpoint the importance of developing the commerce between the Colonies and between them and the Mother Country?

All the self-governing Colonies have united in asking her Majesty's Government to take measures to so modify the treaties with Belgium and Germany as to enable closer trade arrangements to be made between the United Kingdom and her Colonies than with foreign countries. All these Colonies equally desire and have requested the Government to submit to Parliament an amendment of the Imperial Act of 1873, 36 Vic. cap. 22, to enable the Colonies of Australasia to make the same trade arrangements with Canada and South Africa as under that Act any of the Australian Colonies can now make with each other and with New Zealand. This proposal embodies no new principle, but simply extends the power already conferred by the Act in question; and considering the Imperial importance of drawing the great Colonies into more intimate commercial relations with each other as well as with England, we may confidently anticipate the hearty support of her Majesty's Government and Parliament. The Parliament of Canada some time since passed a resolution pledging itself to give preferential tariff concessions to this country when the products of the Colonies are admitted into Great Britain on more favourable terms than are accorded to foreign countries. In the same spirit, now that the financial position of Canada enables the Government to reduce taxation, they have adopted a tariff during the present session which effects reductions in the duties upon many of the staple exports of England.

To pass on to another branch of the subject, it may be well for me to state what is, as I understand it, in the minds of the promoters of the Anglo-Canadian-Australian steamship service, in respect to the steamship connection between Great Britain and Australasia by way of Canada.

At the outset it is interesting to know the average time occupied



in the conveyance of mails to and from Sydney and London by the present Suez route. The latest Blue-book that I have been able to obtain is that of the Report of the Postmaster-General of New South Wales for the year 1892, issued in 1893. There I find that the returns of the mail service of the Orient Steamship Navigation Company during the year 1892 give the average time between London and Sydney as 33 and 11-13 days, and between Sydney and London as 33 and 11-26 days; while in the case of the Peninsular and Oriental Navigation Company during the year 1892 the average time occupied in the conveyance of mails to and from Sydney and London was as follows:—London to Sydney, 33 and 19-26 days; Sydney to London, 34 and 6-13 days.

The consideration paid by the British and Australasian Governments for the above mail service is £85,000 per annum to each Company, or £170,000 together; and out of this contribution of £170,000 the United Kingdom pays £95,000.

The present intention of the proposed Steamship Company is to have upon the Atlantic a weekly service of 20 knots speed all the year round, and to maintain it by the building of four exceptionally large, swift, completely equipped, express passenger steamships.

On the Pacific, at present, it is only proposed to have three steamships, thus adding one steamship to those now performing the monthly service between Sydney and Vancouver. The presence of a third steamship on the Pacific has enabled the promoters of the new service to suggest two propositions:—

1. That there shall be during the summer months a three-weekly service between Sydney, Moreton Bay, Fiji, Honolulu, Victoria, and Vancouver, and during the winter season a four-weekly service by the same route. It may be said at the outset that the mails by that route can be easily delivered in the time now occupied by the Suez route; but it will be observed that it is only, in the one case, a three-weekly service, and in the other a four-weekly service.

2. If it shall be hereafter decided to call at a New Zealand port in preference to Moreton Bay, Queensland, then, with three steamships on the Pacific, the service can easily and regularly, all the year round, maintain the four-weekly service between Sydney, Auckland, Fiji, Honolulu, Victoria, and Vancouver.

The drawback to calling at a New Zealand port instead of a Queensland port would be the lengthening of the voyage between the last Australian port of call (*i.e.* of Sydney) and England by 36 hours each way; but even allowing an additional 36 hours

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for the extra mileage by the New Zealand route, the promoters of the service state that they would be able to deliver the Sydney mails, from the date of the establishment of the fast Atlantic service, in about the same time that is *now* occupied by the steamships of the Peninsular and Oriental and Orient Companies from Sydney to London by the Suez route, while the New Zealand service (Auckland to London) would be reduced to within 31 days.

It is stated that the current contracts between the British and Australian Governments and the Peninsular and Oriental Company and the Orient Company have been extended for an additional year, and expire in January 1896.

At the Ottawa Conference, to be held in June next, one of the most important subjects for consideration will be whether the time has arrived for Great Britain and the Australasian Colonies to recognise Canada as an Imperial highway for an Australasian mail service, affording the Empire an important alternate route, and I venture to hope that a favourable decision will be arrived at.

At the present moment the only Australian subsidy actually being paid to the Vancouver service is £10,000 sterling per annum by the Government of New South Wales. If that subsidy were increased to at least £50,000 sterling per annum from Australasia, and if the British Government will give the minimum subsidy asked for the Atlantic service of £75,000 sterling per annum, Australasia will secure in 1896 an alternate fortnightly route by way of Canada.

As to the time to be occupied by the mail service between Sydney and London, the promoters of the new company are prepared to name thirty-one days as the period for the first term of years; but, in any event, to do it as quickly as can possibly be done by the Suez route.

It is interesting to note from the Blue-book above referred to that the net cost to New South Wales of its joint service *viâ* Suez was in 1892 only £13,274 8s. 5d. It is reasonable to assume, therefore, that the amount collected for stamps would go a long way towards paying the subsidy for the proposed mail service.

As to the possibilities of the proposed line of fast steamers between England and Canada, I can give no higher authority than Mr. Van Horne, the able President of the Canadian Pacific Railway Company. His thorough investigation of the subject is shown in the following speech made by him at Toronto in January 1893:—

The distance from Quebec to Holyhead is 2,580 miles, and with steam-

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ships of the speed of the *Teutonic* or the *City of Paris* the time will be made in five days and five hours. The time from Holyhead to London is less than six hours, and, allowing an hour for transfer, the time from the wharf at Quebec to Euston Station in London will be made in five days and twelve hours, and only three days and eleven hours will be in the open Atlantic. While the voyage from Sandy Hook to Queenstown is sometimes made in five days and a half, the time from the wharf in New York to the railway station in London is hardly ever made in less than seven days—so seldom that seven days may be taken as the best working result that way. Let two passengers start from London on a Wednesday at 12 o'clock noon, one by the fastest New York steamship, and the other by an equally fast Canadian steamship. The one will reach New York at best at 7 o'clock the following Wednesday morning, local time; the other will have reached Quebec at 7 o'clock Monday evening, local time. The New York passenger may reach Montreal at 7.30 Thursday morning, or Toronto at 10 o'clock Thursday morning. The passenger by the Canadian line will reach Montreal at midnight Monday, or Toronto at 10 o'clock Tuesday morning, two whole days ahead of the New York man. The Canadian passenger will reach Chicago at 11.30 Tuesday night; while the New York man cannot reach there before 9.30 Thursday morning. It is no idle boast that such a Canadian line could take a passenger at London and deliver him in Chicago before the New York line could land him on the wharf in New York. Indeed, we have a margin of ten hours, and the statement might be made to apply to Cincinnati, St. Louis, St. Paul, and Minneapolis. A Boston passenger may reach his home thirty-two hours quicker by the way of Quebec than by the way of New York; and a passenger by the Canadian line will reach New York itself at 7 o'clock Tuesday morning, twenty-four hours ahead of the quickest direct line to New York; and this will be the minimum saving of time to Philadelphia, Washington, and all points in the United States, and as we come northward our advantage becomes greater. In the winter our advantage by the way of Halifax would be ten hours less, but our saving in time would still be great enough to take the business. It is only necessary to provide an attractive service both by land and sea, and to make the railway and steamship services fit together perfectly, to make sure of the business. There are no difficulties of navigation that cannot readily be overcome—a few more lights, a few more fog signals, and a few whistling buoys at the entrance to Straits of Belle Isle.

But again we are met by the difficulty propounded apparently in all seriousness by Sir John Colomb:—

Now let me ask who is to pay and to be responsible for the protection in war of the new trade line and new submarine cable we are asked to help to establish?

I hope to be able to show him the highest authority for the opinion that the naval strength provided by these fast steamers on

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the Atlantic and Pacific Oceans, and the proposed cable from Vancouver to Australia, form the strongest claims for Imperial support.

The contract entered into by the Government of Canada with Mr. James Huddart requires the four Atlantic steamships to be capable of steaming 20 knots, under favourable conditions, at sea, and this will involve a trial-trip speed of 21 knots, or equal to 24 statute miles per hour.

The steamships will be upwards of 10,000 tons register, and will be built in compliance with the usual conditions necessary to secure the subvention for mercantile armed cruisers from the British Admiralty.

The Lords of the Admiralty in 1887, after giving this question the fullest consideration, made the following report to the Treasury, which was adopted and is now in force :—

My Lords would desire to state that the experience derived from the events of 1885 has led them to believe that true economy and real efficiency would be best promoted by securing the use to the Admiralty in times of peace of the fastest and most serviceable mercantile vessels. It will be remembered that in 1885 a sum approximating to £600,000 was expended in retaining the services of several fast merchant steamers so as to prevent their being available for the service of any Power inimical to the interests of the United Kingdom. Had arrangements existed similar to those now contemplated, their Lordships believe that a very considerable portion of this expenditure would have been averted, and a degree of confidence felt by the nation on which it is very difficult to place a money value.

Their Lordships consider that subventions or annual payments for pre-emption in the use or purchase of these steamers should only be made with those vessels already existing which have an exceptionally high sea-going speed, or for vessels which may be built possessing great speed and adaptable in their construction as armed cruisers.

As to the standard of speed, the Admiralty consider that no vessel of less than 17 or 18 knots at sea would fully meet the object they have in view. They would add further that existing vessels, even with this speed, but which have not been built specially to Admiralty designs, would not be so valuable to the country as vessels which meet these requirements. The trades which can, from a mercantile aspect, support vessels of the type and character that their Lordships desire to see included in the "Reserve Fleet of the Navy" are very limited. Such steamers are only likely to find a profitable mercantile employment in the passenger and mail service, and particularly in the service to America. Vessels constructed to meet the views of the Admiralty would be at a disadvantage in respect to their cargo-carrying powers; and therefore it would be a distinct advantage to the country if every reasonable encouragement were

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given to shipowners to build and maintain this description of steamer in the trades that may be expected to support them. The retention of a fleet of "Royal Naval Reserve Cruisers" would be obviously of great national advantage. In a pecuniary sense they would serve to limit the necessity felt by their Lordships for the construction of fast war vessels to protect the commerce of the country. Not only would the nation be a pecuniary gainer in respect to the first cost of such vessels, but their annual maintenance, which amounts to a large sum, would be saved were such vessels maintained whilst not required for Admiralty purposes in mercantile trading.

The Government of Canada applied to her Majesty's Government to join in a subsidy for three steamers for the Pacific service between Vancouver and Hong Kong. This proposal was carefully considered by the Governments of both parties in this country. It was referred to a departmental committee, on which the Colonial Office, Treasury, Post Office, and Army and Navy were represented, with the following results. Lord Granville said in the House of Lords: "It appeared by a minute from his predecessor, Col. F. Stanley (now Earl of Derby), that the late Government had come to the conclusion on principle to approve of this project." And again, on April 29, 1887, Lord Granville said, "He had come to the conclusion that it was a most desirable thing from both the naval and military point of view." On June 23 the Right Hon. Mr. Goschen said in the House of Commons that it was "an extremely valuable and important service," and subsequently carried a vote of £45,000 per annum for ten years for these three steamers, which with the £15,000 per annum paid by Canada makes a subsidy of £60,000 a year. I think I am correct in saying that this vote passed *nem. con.* in the House of Commons, of which Sir John Colomb was a member.

The following extracts from a Paper recently placed on record by Gen. Sir A. Clarke, show conclusively the opinions of this high authority on the defence of the Empire.

On all grounds, therefore, continuous maintenance of a trade route through the Mediterranean at the outset of war cannot be counted upon. It follows, therefore, that the transport of troops and stores to the East will be equally hazardous, at least for a time.

Of all routes, those of the Atlantic and Pacific will be safest in war with a naval power.

Fast ships on these routes cannot well be captured, except by mere mischance, on the ocean.

No probable enemy, no nation, except the United States, is likely in the immediate future to develop any considerable naval strength in the

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Pacific ; while the maintenance of strong squadrons on the western verge of the Atlantic will be difficult to any Power not in alliance with the United States.

Again, these ocean routes pass near no naval bases of European Powers, which, especially at the outset of war, will confer on them practical immunity from raids. On the Cape route there is the menace of Dakkar, of Réunion, and possibly of Diego ^{ma}Spuriez, which cannot be ignored, and which would unquestionably raise insurance rates to a high figure.

An accustomed trade route, regularly used in peace time, will invariably offer inestimable advantages as a communication in war. Along it troops and stores could at once be smoothly conveyed without delays or confusion.

I therefore consider that, from the purely military point of view, any steps taken to develop the ocean route would add greatly to the potential strength of the Empire in war.

At such a time the first necessity will be communication between the scattered members of the Empire. Thus only can its vast resources be brought into play. Thus only can its existence be assured.

I have preferred to dwell on the military advantages of developing the Western route, and thus providing an alternative line of communication, rather than on the political and economical advantages. The latter must, however, be important and far-reaching.

Politically, the effect will be to bring the members of the Empire into closer union. Economically, the opening up of new avenues of trade will indubitably bring about a wider distribution of products, and reduce the stagnation which is now heavily felt by all classes.

On all these grounds I strongly support the policy urged.

It is for the Imperial Government a primary duty to aid a project by which national advantages in peace time, and security, as well as striking power, in war, will be unquestionably attained.

As to the cable, I may say the following resolution was passed unanimously by the Colonial Conference, called and presided over by the Secretary of State for the Colonies in 1887, and after the subject had been fully discussed and all the objections urged by those interested in existing routes considered :—

First. That the connection recently formed through Canada from the Atlantic to the Pacific by railway and telegraph opens a new alternative line of imperial communication over the high seas and through British possessions, which promises to be of great value alike in naval, military, commercial, and political aspects.

Second. That the connection of Canada with Australia by direct sub-

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marine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should without delay be set at rest by a thorough and exhaustive survey.

The recent visit of the Hon. Mr. Bowell, the Canadian Minister of Trade and Commerce, and Mr. Sandford Fleming, who has given so much attention to the question of a Pacific cable, has excited increased interest in that question in Australasia. It has been followed by a visit to Canada from Sir Thomas Mellwraith from Queensland, and the Hon. Robert Reid from Victoria, and, as already stated, a Conference is to be held at Ottawa on June 21 next. The Australasian Postal and Telegraph Conference, recently held at Wellington in New Zealand, heartily endorsed the proposal for a cable from Vancouver to Australia with the same unanimity that characterised the Intercolonial Conference held at London in 1887. Of course those who have long enjoyed a monopoly may be expected to oppose competition, and I am not surprised at the protest made by those interested parties to her Majesty's Government, and published in the *Times* of April 19, 1894. In that protest the statement of the Wellington Conference, that a guarantee of 4 per cent. for fourteen years would probably induce the company to undertake the work, is treated as an admission that the cable must be renewed at the end of that period. No reason is shown in the article why fourteen years should be determined on as the life of a cable, and it is contrary to the experience of the existing cable companies. Mr. Sandford Fleming took twenty-five years as a basis for calculation; and that this period seems a fair one is shown by the fact that some 5,350 miles (or about 30 per cent.) of the 18,000 miles of cable now forming the system of the Eastern Extension Telegraph Company is more than twenty years old, and is still in working condition—the balance of about 12,650 miles being duplications and extensions laid since 1874. Mr. Sandford Fleming's suggestion that a joint guarantee of 3 per cent. would be sufficient was made on the supposition that the Pacific cable would be undertaken by the Governments concerned, who could obtain money at that rate: not, as would appear from the article, on the assumption that the scheme is to be undertaken by a company—an alternative which he has also dealt with.

The cable companies which control the existing lines between the United Kingdom and Australasia "urge that the existing service was established solely by private enterprise," and without Government aid. These lines, however, had the advantage of being the first lines established, and thus had no opposition to contend with.

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The Pacific cable would, however, now have to compete with these very existing lines; which, whatever the case may have been when they were initiated, are now, and for many years past have been, assisted by annual subsidies, a fact not touched upon in the article in the *Times*. Altogether the existing companies which would compete directly or indirectly with the Pacific cable have received in subsidies from various sources up to the present time more than £2,100,000, an amount much in excess of the capital required for a Pacific cable. Of the above amount the Eastern Extension Company alone have received about £643,000, and the African lines, which form an alternative route, £1,397,000.

Then, taking the present traffic between Europe and Australasia to be 1,300,000 words, as given in the *Times* article, and looking on one-half this traffic as going to a Pacific cable, at the sum lately mentioned by Mr. Sandford Fleming—viz. 2s. per word—as the rate for the Pacific cable (after outpayments of 1s. 3d. have been deducted) it would give for the first year's traffic £65,000; but the reduction of the rates from Australasia to Europe (from the present 4s. 9d. per word to 3s. 3d. per word) would naturally bring about a large increase of traffic. Taking this increase as an additional 25 per cent. on the estimated number of words passing over this cable between Australasia and Europe the amount would come to £91,250. As, however, the tariff for the Canadian and American traffic to and from Australia would be cheaper by the Pacific than by the existing routes (by about 1s. per word), this traffic would certainly pass through the Pacific cable. Besides, the traffic from and between the islands at which a Pacific cable touched should be added. Estimating the traffic from these sources at £15,000 for the first year, a total traffic of £96,250 may reasonably be looked for in the first year's working.

Mr. Sandford Fleming states that the normal increase of traffic under the old 9s. 4d. rate between Europe and Australia was 14 per cent. per annum; but taking it only as 12½ per cent., we have for the second year the amount of £108,280, and so on progressively in each succeeding year, as long as the rate of increase of traffic remains the same.

It is therefore obvious that the protest against the proposed cable is largely based upon fallacies. If the reasons urged by those who have so long enjoyed a monopoly should result in her Majesty's Government not giving the assistance required, the competition dreaded would not be prevented but transferred to a company under

the control of a foreign power, and England will have lost its opportunity.

In conclusion, permit me to say that Australasia and Canada make no "demand" upon the taxpayers of this country, but on the contrary propose to unite with her Majesty's Government in providing an alternative line of steam and cable communication between England and Australasia and Canada, uniting those great possessions of the Crown more closely to each other and to the Mother Country, and furnishing in the best manner possible the means of expanding the trade and strengthening the unity and defence of the Empire.